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ORGANISED CRIME IN EUROPE AND THE MAFIA METHOD



Vincenzo Ruggiero
Middlesex University, London
United Kingdom

Abstract: This paper compares some findings relating to organised crime in Europe as presented by international agencies with findings obtained by national independent researchers in a number of countries. The comparison will help highlight the dilemmas, the controversies and the vexed questions that still adumbrate our understanding of organised crime, while it will pave the way for a tentative classification that can clarify, at least partially, the contours of the subject matter.

Keywords: organised crime; research; criminal hubs and activities; criminal methods; Europe.

CRIMINAL HUBS AND ACTIVITIES

In the analysis of Europol (2011a), based on law enforcement information from across the EU, there are five criminal hubs in Europe:

- north-west, with the centre of gravity in the Netherlands and Belgium;
- north-east, with the centre of gravity in Lithuania, Estonia, Latvia and Russia;
- south-east, with the centre of gravity in Bulgaria, Romania and Greece;
- south, with the centre of gravity in southern Italy;
- south-west, with the centre of gravity in Spain and Portugal.

These hubs are deemed concentrations of illegal logistics which facilitate flows of illicit goods and in which criminal groups operate thanks to their proximity to destination markets, commercial and transport infrastructures and major migratory routes. Observing such illegal concentrations, there is a sense that organised crime is growing increasingly diverse in its methods, structures and impact on society. 'A new criminal landscape is emerging, marked increasingly by highly mobile and flexible groups operating in multiple

jurisdictions and criminal sectors, and aided, in particular, by widespread, illicit use of the internet' (Europol, 2011a, p. 5). Criminal groups are also said to expand their activities, with some becoming distinctively poly-commodity in their operations and with the most successful developing diverse portfolios of criminal business interests (UNODC, 2010). Strong levels of cooperation are detected between different organised groups, transcending national, ethnic and business differences. This 'collaborative atmosphere' is attested by the common practice of barter, whereby illicit goods are exchanged rather than bought and sold, while transactions, it is assumed, tend to jettison the use of cash. A connected tendency is the intensified use of transport infrastructures, with criminal groups taking full advantage of global movements of commodities and the growing mobility of people. With the economic crisis, it is felt that organised criminal groups will have new opportunities to recruit disadvantaged individuals, who may find in illicit occupations a ready-made substitute for legitimate work. Finally, some thought is devoted to the role played by 'specialists', namely legitimate actors who are willing to cooperate with organised criminal groups and facilitate their activities in some way.

This general picture is accompanied by a detailed examination of the different sectors of illegal activities, with drug distribution, as one



would expect, regarded as paramount. Poly-drug trafficking appears to be increasing, as it ensures greater resilience to fluctuations in supply and demand while maximising profits (EMCDDA, 2010). Meanwhile, although the majority of heroin entering Europe comes from Afghanistan via Turkey and the Balkans, the proliferation of direct transport and commercial links between producing and distributing countries has contributed to diversification in route and trafficking methods. Hence the recent development of the Black Sea route, which connects Iran, Azerbaijan, Georgia and Ukraine to Romania and the Baltic countries. The Balkan route itself shows unprecedented flexibility, as heroin consignments transit through Greece before reaching Bulgaria and Romania and thus Central Europe. The Kosovo region is the operating base of ethnic Albanians involved in trafficking into central and western Europe. In the north-west hub, Turkish groups are said to be active, along with Dutch and Moroccan organisations, whereas in the north-east hub Lithuanian groups service the growing heroin market of Russia.

‘Transportation of heroin is often paid for with the commodity itself, creating local markets in countries of trafficking routes. Because heroin commands a higher price in destination markets and large distribution centres, the smaller amounts distributed en route are often highly adulterated’ (Europol, 2011a, p. 9).

Spain and Portugal remain the main European entry points for cocaine, which is also imported into the continent, through west Africa, by Moroccan groups who utilise the north African route established for cannabis. A prominent role in the organisation of cocaine trafficking, however, is now taken by west African criminal groups, who hold direct connections with South American producers. Such connections have also been established by groups operating in south-east Europe and in the Balkans.

Synthetic drugs offer organised criminal groups the advantage that production may be very close to consumer markets, thus offering a highly cost-effective activity. Ecstasy is mainly produced in the Netherlands and Belgium, but tends to be replaced by ‘designer drugs’ and ‘legal highs’ such as methyldone, mephedrone, fluoramphetamine and others (EMCDDA, 2010). Synthetic drugs are in high demand in countries

where cocaine prices are high, hence the expansion of producing groups, for example, in Poland and the Baltic states. Cannabis and khat distribution complete the information provided by Europol, which singles out west African, Albanian and Lithuanian criminal organisations as the major poly-drug groups.

Illegal immigration is another important area for organised crime activity, which responds and adapts to changing law enforcement strategies. Some groups may limit their role to the provision of forged travel documents, while others may offer transport services. Yet others may direct illegal migrants to employers or employ them themselves once they have reached the country of destination. Official reports tend to overlook the instances in which illegal migrants require a mere service helping them move across borders, and focus mainly on the victimisation aspect of this illicit business. For example:

‘Traffickers recruit their victims mostly in deprived, disadvantaged or poorly integrated sectors of society, offering them employment abroad. Many victims are lured with bogus offers of legitimate employment. Others agree on the type of work they are expected to perform, but are deceived by the actual circumstances they find on arrival in the destination country’ (Europol, 2011b, p. 10).

The most powerful criminal groups are identified as those capable of controlling the entire trafficking process, from recruitment to transportation, from the provision of forged documents to illegal or criminal employment. The most frequently reported groups involved in human trafficking are, in descending order, Roma, Nigerian, Romanian, Albanian, Russian, Chinese, Hungarian, Bulgarian and Turkish organised crime groups. Migration flows from north Africa and the Middle East are said to provide criminal groups operating in Europe with opportunities for exploitation, while trafficking is also linked to the commission of welfare benefit fraud, which implies large profits and low levels of perceived risk of detection. Finally, the use of the internet is associated with the transnational marketing of sex workers.

VAT fraud is a highly lucrative offence, accounting for an estimated EUR 5 billion in damage to European taxpayers each year (European Commission, 2010). Due to the nature of VAT fraud, which allows numerous traders to exploit



the system without affecting each other's profits, organised groups are unlikely to compete in this illicit activity; rather, they most often tend to cooperate by exchanging information and techniques. Credit card frauds in Europe are also attributed to organised crime groups, who 'collect data from payment cards by means of attacks on online payment systems, data breaching and skimming (magnetic strip copying and PIN capture)' (Europol, 2011a, p. 23).

An attractive alternative to drug trafficking is cigarette smuggling, with organised crime choosing destination countries among those with high taxes on tobacco, such as Scandinavian countries, Germany, the United Kingdom and Spain. In turn, an alternative to the smuggling of genuine cigarettes is the manufacture of counterfeits, whereby fake versions of well-known brands are illegally produced and marketed. Poland and some Baltic countries are singled out as significant sources of counterfeit cigarettes. For instance:

'In Poland, a highly specialised and organised crime group has been involved in the illegal production of cigarettes supplying the German black market. Cooperation between Ukrainian, Lithuanian and Polish criminals has been a key feature in this case: companies in Ukraine delivered the tobacco, other ingredients passed through the Lithuanian port of Klaipėda, while production took place in Poland' (Europol, 2011a, p. 25).

The euro is yet another target of organised crime (European Central Bank, 2011). Groups engaged in the counterfeiting of this currency are characterised by rigid organisational structures and high degrees of division of labour. Participants include investors, printers and distributors, while Italy and Bulgaria are deemed the foremost countries of the activity. Chinese organised groups, meanwhile, are credited with performing a major role in commodity counterfeiting, with goods entering the EU via all major seaports before being distributed throughout the continent. Counterfeit medicines are included among such goods.

Other areas covered by official reports relate to weapons trafficking and environmental crime. The former, it is stressed, takes place through the same routes that are used for drug and human trafficking, and consists mainly of small or second-hand firearms. The latter implies the

dumping of hazardous substances and involves mafia-type structures with sufficient resources to manage the disposal of large-scale waste.

Finally, money laundering constitutes a crucial area of investigation, where organised crime continues to use traditional, established methods such as cash couriers, while availing itself of diverse types of shell companies. Moreover:

'The availability of many new laundering possibilities offered by modern technology has provided transnational groups with new ways to further their criminal interests. In some Member States, investigations into suspected money laundering activities continue to be hampered by the requirement for a predicate offence' (Europol, 2011a, p. 32).

A preference for offshore banking locations is noted, and organised criminal groups are also seen as skilled users of new technologies and of services (insufficiently regulated) offered by digital currency operators such as WebMoney and Liberty Reserve.

In conclusion of this section, it is worth identifying some of the most significant points addressed so far. First, official descriptions of organised crime in Europe posit that cooperation among groups is an established fact. Second, that the collaboration of some official experts is, at times, required for some organised criminal activities to be performed. For example, the production of synthetic drugs is said to involve specialists in the fields of organic synthesis and retail pharmacy. Third, that the main activities in which organised criminals engage are, typically, conventional illegal activities servicing black markets. Let us now compare these descriptions with the findings of other research studies, mainly conducted on a national level, which are presented below in the form of rough sketches.

INDEPENDENT NATIONAL RESEARCH

Research conducted by independent teams and individuals emphasise the role of networks rather than that of organisations. This research forces analysts to observe in detail how associations are formed, how plural the nature of the social is, and how mutable connections between individuals



and groups present themselves. As Latour (2005, p. 247) has proposed, the social emerges when the ties in which one is entangled begin to unravel: 'the social is further detected through the surprising movements from one association to the next'. If we apply this perspective to the analysis of organised crime, we are demanded to 'follow the actors' and observe the modalities they use to create associations (Rankin, 2011). Networks emerge within specific contexts, which determine their nature, the form of aggregations and the multiple affiliations that are likely to be forged.

Official sources indicate that collaboration among different organised groups is increasingly likely and, implicitly, that alliances make tasks viable on the transnational scene. There is some truth in this, although qualifications are required when facing specific national contexts. In the Netherlands, for example, the situation is characterised by the co-presence of distinct groups, which may cooperate, although mainly within a precise division of roles (Siegel, 2010). Such groups, in fact, are unlikely to form organic, long-term partnerships, let alone establish collegial, intra-ethnic memberships. Ethnicity is also a key variable in Greece, although ad hoc partnerships may be influential in some criminal activities (Antonopoulos, 2012). In France and Italy, on the other hand, indigenous criminal groups may act as gatekeepers, allowing access to illicit markets to non-nationals only at pre-established financial costs. In both countries, however, newcomers may also operate in illicit market sectors dismissed by upwardly mobile local groups (Lalam, 2012; Ruggiero, 2012). In Italy, moreover, rather than partners, the newcomers may well provide 'criminal labour' to locally established criminal networks. Mixed ethnic groups may be taking shape in Spain (Gomes-Céspedes, 2012), but are extremely rare in Russia (Rawlinson, 2012), while in the United Kingdom what is vividly manifest is a situation of competition and succession among ethnicities, rather than their amalgamation.

In brief, independent research describes an extremely nuanced situation, with fluid, multiple dynamics guiding the ways in which groups create associations and affiliations. The emphasis placed on criminal transnationalism is at the origin of the hurried generalisations found in official documents, where it is taken as a given that criminal groups move across national boundaries with the purpose of establishing illicit colonies

abroad. Hence, presumably, the urge for such groups to form close consortia across borders. On the contrary, it has been noted that criminal organisations are mainly stationary, because it is at the local level that they provide their services and goods while accessing resources (Varese, 2011). It should be added that the way in which groups and individuals assemble is determined by the conditions governing illicit markets, as well as by the relationships between these markets and the legitimate ones. In this sense, transnational criminal activity may be successful where the formal-informal interface is remarkably large and the boundaries between legitimate and illegitimate are already substantially blurred. In such contexts, alliances and multiethnic criminal membership between groups find a favourable environment, like legitimate corporations find in deregulation the opportunities to pursue their multinational interests.

As for the 'collaboration of experts' mentioned by official agencies, this is not limited to the cases of drug production highlighted above. Observing the sketches provided above, it would appear that in some European countries (Spain, Greece, Italy, Russia) organised crime does not merely seek the scientific expertise of official actors, but attempts, and often manages, to 'assemble' with political and economic operators who occupy the legitimate domain. Entire sets of power groups are targeted, including entrepreneurs, local and national political representatives, the police and the judiciary, with a view to forging with these sectors more or less stable, illegal, partnerships (Gounev and Ruggiero, 2012).

This leads to a final consideration around official accounts. These appear to focus primarily on conventional criminal activities, thus neglecting the overlaps and joint initiatives that organised criminals undertake with members of the white collar community. In this sense, official concerns are mainly directed towards 'pariah' forms of criminal enterprise, namely those whose options in markets are limited. These enterprises are in need of the goods and services, including protection that more powerful criminal enterprises can deliver. On the other hand, they are incapable of accessing the official economy to a significant degree. More powerful variants of organised crime, which expand their activities into the licit arena of business, both maintain their characteristics of organised crime and adopt those typifying corporate actors. They are offered the opportunity to engage in value-adding



partnerships with legitimate entrepreneurs, in mutual economic promotion and through the exchange of services. Criminal groups who do not 'make it' into the legitimate arena are denied those 'multiple social affiliations' that would improve their chances. The way in which they assemble socially will confine them to the underworld.

In some countries we are faced with networks of professionals whose long-term apprenticeship has produced the skills, the rationalisations and, crucially, the reputation allowing them to operate in a variety of illicit markets. In other countries we witness successful forms of organised crime reaching out to the official world. The different power wielded by organised crime in specific national contexts reminds us of an ironic observation made by Landes (1973) with respect to the Chicago criminal scene. In the Chicago of the 1920s, success was measured at funerals of mobsters: if when you are alive you can hide the identity of your friends, you can hardly do so when you are dead. Those funerals revealed the connections of organised crime with the institutions: mourners included businessmen, lawyers, politicians and a sprinkling of police officers. On the other hand, countries that do not display such 'assemblages' may not be paragons of honesty; rather, they may possess an elite whose inaccessibility makes it reluctant to share its illegality with outsiders.

In conclusion, research into organised crime may avail itself of new directions emerging from the cases examined above. The consortia involving conventional and white collar criminals demand a slight alteration of Sutherland's (1983) theory, which implies that techniques and rationalisations are learned within specific homogeneous enclaves or professional groups. In some European countries, on the contrary, learning processes appear to cross the boundaries of social groups, as criminal know-how is transmitted to a variety of actors. In other words, techniques are exchanged and skills enhanced within an economic arena inhabited by legal, semi-legal and illegal businesses. Law enforcers may also want to pursue these new investigative directions.

I would like to list a number of predicates that describe the consortia, partnerships and joint activities discussed above. These predicates indicate a 'method' rather than an organisation,

and are termed here 'mafia method' (Ruggiero, 2011).

A MAFIA METHOD

This method is composed, first, of a culture of the fittest: in human and social evolution it is more important to win than to win by the rules.

- The law has to aid the survival of the fittest.
- Politics and markets are guided by natural selection: business and the law will always reflect the relative strength of the competing forces in a society.
- Our choices in politics and markets are not the result of individual decisions but of social relations.
- Social relations determine what is fair and what is not.
- Legality is fluid, liquid, and loyalties and commitments are contingent.
- The state has to adapt to economic behaviour, not the other way around.
- Private initiative cannot be restrained.
- We are the state: by acting in markets, we implicitly delimit the ambit in which the authority is entitled to intervene.
- Society is formed of a series of hubs of influence and interest, and a stable social order works so that all hubs are satisfied.
- Norm violation is a habit that creates its own normative order.
- The resources we already hold prove that we are able to accumulate them and turn them into general well-being.
- Deviating from norms has always been the engine of innovation.
- Action is always situated and some situations force individuals to violate the law.
- What is just and what is legal are two different things.



- Ethical standards are forged through physical, social and ideological bonds, which provide rationalisations for action and justifications for their outcome.
- Some core groups in society are entitled to choose which norms should prevail because they lead other groups towards progress.
- The law must be agile and cannot be defined as a separate world delimited by its own principles.
- The agility of the law should make it sensitive to acts performed in spheres external to it: politics, economics, everyday life.
- Our practices are tolerated, therefore they are widespread and lend themselves to imitation.
- The disadvantaged also benefit from our acts.
- The resources we appropriate gain greater value once we possess them.
- The cost of prosecuting us is higher than the gains we acquire.

It seems to me that this is a very dense agenda for future research.

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